PharmaCare Trends 2003

BC PharmaCare
Ministry of Health

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PharmaCare Trends 2003

PharmaCare Trends is produced regularly by the British Columbia Ministry of Health Services to provide information on British Columbia's drug benefits programs to health researchers, government officials and the public. *PharmaCare Trends* is a statistical publication that also includes information on updated policies affecting drug coverage in British Columbia. Originally published in 1995, *PharmaCare Trends* was updated in 1997, 1998, 2000, and 2002, and was published under the title "PharmaCare Highlights" in 2003.

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SECTION 1: INTRODUCTION

WHAT IS PHARMACARE?

Established under the Ministry of Health Services, PharmaCare is British Columbia's drug insurance program. PharmaCare is designed to provide financial assistance to residents for eligible prescription drugs and designated medical supplies. The program provides reasonable access to drug therapy and is an integral part of the health care system that serves British Columbians.

PharmaCare was announced by the Government of British Columbia in 1973 and began operation on January 1, 1974, under the *Guaranteed Available Income for Need (GAIN) Act*, Regulation 30. In the spring of 1995, the *Continuing Care Act* was amended through regulation to include legislative authority for PharmaCare. The *GAIN Act* provisions relating to PharmaCare were subsequently repealed.

PharmaCare is funded by the Government of British Columbia and is not governed by the *Canada Health Act*.

PharmaCare Mission Statement

To improve the health status of British Columbians by providing reimbursement to ensure reasonable access to and appropriate use of prescription drugs and related benefit services for eligible residents of the province.

Strategic Objectives:

To achieve its mission, PharmaCare has the following strategic objectives:

- to reimburse beneficiaries for prescription drugs and related benefit services through sustainable, equitable and effective programs
- to strive for equity of access
- to implement policies that maximize the appropriateness and cost effectiveness of drug therapy
- to promote optimal drug prescribing
- to utilize evidence-based policy making through reliance on the best and most up-to-date analysis of scientific research.

HISTORY OF PHARMACARE

1872 The Department of the Provincial Secretary, Social Assistance Branch, launches a drug subsidization initiative.

1893 A Provincial Board of Health is established to assume responsibility and accountability for a drug subsidization initiative.

1946-1972 Throughout this period, the foundations for BC PharmaCare are laid. In 1972, the Department of Health begins a drug subsidy program for low-income British Columbians. Eligible claimants pay the first $2.00 plus 50 per cent of the remaining prescription charge, and the government pays the remaining 50 per cent.

1973 The Department of Rehabilitation and Social Services becomes the Ministry of Human Resources. A new drug plan that provides reimbursement for eligible drug costs to all BC seniors who meet a 90-day residency requirement is added to the existing low income prescription drug subsidy plans.

1974 BC PharmaCare becomes operational under the Ministry of Human Resources as a social assistance program. The program pays pharmacies for actual acquisition costs plus a dispensing fee of $2.20 for each prescription. Plan A is established as the plan for seniors; Plan B becomes the prescription drug subsidy plan for low-income individuals who are not on income assistance, and Plan C is introduced for income assistance clients.

1977 Plan B is replaced by the universal plan for residents under 65 (Plan E). Disclosure of the drug cost and dispensing fee on Plan E prescription receipts is required. BC PharmaCare is expanded to provide services to residents of long-term care facilities and private hospitals (Plan B). Ostomy supplies, designated prosthetics, orthotics, and needles and syringes for diabetics are added as benefits.

1978 A drug usage review program is established to monitor drug utilization and educate practitioners. Breast prostheses are added as eligible benefits.

1987 The administration of BC PharmaCare is transferred from the Ministry of Human Resources to the Ministry of Health. BC PharmaCare introduces a Plan A (seniors) co-payment scheme.

1988 The BC Centre for Disease Control transfers control of the home oxygen program to BC PharmaCare. A ceiling of $2000 per year is established for patient payments under Plan E (universal).

1989 Plan F is introduced, allowing severely disabled children to live at home by providing financial assistance to the children's families for the cost of their drugs. The PharmaCare benefit list is expanded to include home blood glucose testing strips for children under 19 and for women with gestational diabetes.

1990 Triplicate Prescription Program, Product Incentive Program and Rural Incentive Program begin. Home blood glucose testing program expanded to cover test strips for all individuals for whom home blood glucose testing is deemed medically necessary.

1991 Home Oxygen Program secures competitive pricing system for home O_2 users.

1992 PharmaNet is approved (but not fully implemented until four years later).

1993 PharmaCare Review Panel examines future options for PharmaCare. Trial Prescription Program begins.

1994 Therapeutics Initiative established at the University of BC. Trial Prescription Program expanded to include patients on Plans A, C, F & E. The Low-Cost Alternative policy is introduced.

1995 Pharmaco-economic Initiative established at UBC. Reference Drug Program (RDP) is launched, affecting H2 antagonists, NSAIDS and nitrates. Plan D (Cystic Fibrosis) begins.

1996 PharmaNet fully implemented in BC community pharmacies as a central prescription data tracking system.

Maximum Days' Supply policy is introduced, limiting coverage for short-term drugs and first-time prescriptions for maintenance drugs to a maximum 30 days supply. Refills of maintenance drugs are available in 100 days supply.

1997 RDP applied to ACE inhibitors and Calcium Channel Blockers. RDP evaluations begin. Plan G (Mental Health) coverage begins.

1998 PharmaCare Health Transition Fund projects begin. Deductible for Plan E (Universal) increases from $600 to $800.

1999 PharmaNet begins tracking dispensing data from hospital emergency departments.

2000 Medical Practice Access to PharmaNet pilot project begins.

Certified pharmacists receive regulatory authority to dispense Emergency Contraceptive Pills to women directly, without a physician's prescription.

2001 Responsibility for all drugs acting on cancerous tumours transferred to the BC Cancer Agency.

2002 Plan A splits into two components: regular Plan A and Plan A1 for seniors receiving Premium Assistance for their MSP payments. Seniors with regular Plan A coverage pay a maximum of $25 towards the drug cost and dispensing fee per prescription, to a yearly maximum of $275. Seniors on Plan A1 pay a maximum of $10 towards the drug cost and dispensing fee per prescription, to a yearly maximum of $200.

Plan E annual deductible changes to $1,000, or $800 for those receiving MSP Premium Assistance.

Early Fill policy introduced to ensure prescriptions for long-term medications are not filled too soon, with the goals of reducing potential risks of having excess quantities of medications on hand, and reducing wastage in cases when a medication is discontinued.

2003 Fair PharmaCare is introduced in May, 2003. Fair PharmaCare, also called Plan I, replaces both the Universal Plan (Plan E) and the Seniors Plan (Plan A). Registration is required, by family. Each family is allocated plan benefits and payment rules, with the deductible and maximum linked to family income (additional details of this plan provided later in this document).

PharmaNet

PharmaNet is a secure computer network linking BC community and hospital emergency departments to a central database. All prescriptions dispensed in BC are recorded on PharmaNet, irrespective of eligibility for PharmaCare financial assistance. PharmaNet eliminates the need for patients to submit receipts to PharmaCare and automates billing and payment processing for all pharmacies. PharmaCare automatically pays pharmacies the PharmaCare portion of eligible prescriptions dispensed each week.

The advantages of linking all BC pharmacies to one central system are many. PharmaNet:

- prevents over-consumption of prescription drugs by unintended duplication or fraud;
- prevents misuse of medications through multi-doctoring and/or multiple pharmacy use
- allows drug interaction checking and dosage range checking to prevent inappropriate therapies;
- promotes cost effective usage of drugs and other therapeutic alternatives;
- improves standards of practice by providing comprehensive drug information and complete patient information to pharmacists;
- streamlines claims payments by offering immediate adjudication for pharmacies and the public.

PharmaNet is available 24 hours a day, every day of the year. The PharmaNet Help Desk is available 24 hours a day, every day of the year except Christmas, to answer inquiries from pharmacies and hospital emergency departments.

Processing a Prescription in British Columbia

In BC, a prescription medication can only be dispensed when prescribed by a licensed Canadian practitioner (physician, dentist, midwife, or podiatrist). This applies to BC residents and non-residents, regardless of eligibility for PharmaCare benefits. BC residents with Medical Services Plan (MSP) coverage are provided with a CareCard containing a unique Personal Health Number that identifies the holder. Processing a prescription involves the following steps:

1. The pharmacist, located in one of approximately 900 BC pharmacies, receives a written, faxed or verbally communicated prescription.
2. At the pharmacy, the patient provides his/her CareCard and the written prescription, if applicable, to the pharmacist.
3. The pharmacist records the prescription electronically on PharmaNet.
4. The claim is automatically adjudicated by PharmaNet according to the patient's PharmaCare plan.
5. The pharmacist checks on PharmaNet for appropriate dosing and possible allergies and interactions with other drugs the patient may be taking.
6. The prescription is dispensed. The pharmacy receipt indicates the portion of the prescription cost paid by PharmaCare and the portion paid by the patient, as applicable. Eligible drug expenses paid by the patient contribute toward the patient's PharmaCare deductible and/or annual maximum.

WHAT DOES PHARMACARE COVER?

PHARMACARE COVERS:

- √ eligible prescription drugs prescribed by a physician, dentist, midwife or podiatrist*
- √ insulin, needles, and syringes for diabetics
- √ blood glucose test strips for diabetics for whom blood glucose testing is deemed medically necessary and who have a valid *Certificate of Training* from an approved Diabetic Teaching Centre
- √ certain ostomy supplies
- √ designated permanent prosthetic appliances and children's orthotic devices (braces)
- √ selected digestive enzymes and nutritional supplements for cystic fibrosis patients

**Certain medications require prior approval (an approved Special Authority) for PharmaCare coverage. Coverage exceptions granted via a Special Authority are not retroactive, and must be requested before the medication is dispensed.*

PHARMACARE DOES NOT COVER:

- × eyeglasses
- × hearing aids or hearing aid batteries
- × bandages
- × artificial sweeteners, antacids, laxatives or over-the-counter drugs
- × wheelchairs, walkers or other medical devices
- × drug costs that have been fully reimbursed by another plan
- × drugs or supplies obtained while outside of BC
- × mail-order prescriptions requested from companies located outside BC
- × greater than 100 days' supply of medications at any one time (i.e. vacation supplies) or repeat prescriptions filled when more than 14 days supply remain in the existing prescription.

FAIR PHARMACARE

Fair PharmaCare was introduced on May 1, 2003 as a more equitable way of providing British Columbians with financial assistance for prescription drug costs. The program bases each registered family's drug benefit levels on their combined annual net income, meaning that families with lower incomes receive greater assistance in paying for eligible prescription drugs. In order to receive benefits, families must complete a one-time registration process, and sign a consent form allowing PharmaCare to retrieve income information annually from the Canada Revenue Agency.

Each Fair PharmaCare family is assigned an annual deductible and an annual maximum, both of which are calculated as a percentage of annual net family income. Families with a net family income of less than $15,000 (or less than $33,000 for families with one or more members born before 1940) are assigned a $0 deductible. PharmaCare immediately assists these families with eligible drug purchases.

Families with a deductible must pay 100% of their eligible drug costs until they reach their deductible. Fair PharmaCare deductibles range from zero to three per cent of family net income. Once the deductible is met, PharmaCare then pays the majority of the family's eligible drug costs, with the family responsible for "co-paying" either 25% (for families with one or more members born before 1940) or 30% (for all other families) until they reach their maximum.

Once families' out-of-pocket expense (deductible plus co-payments) equals their maximum, PharmaCare pays the full amount of eligible prescription costs for the remainder of the year. The annual maximum ranges from 1.25% to 4% of net family income, depending on income level.

PharmaCare Plans

PharmaCare provides assistance to British Columbia residents for the purchase of eligible prescription drugs and prosthetic appliances, as well as ostomy and blood glucose monitoring supplies. To be eligible for PharmaCare benefits, individuals must be registered with the BC Medical Services Plan (MSP). A number of pricing and quantity limitations are in effect for PharmaCare benefits. As of December 31, 2003, the PharmaCare Plans are as follows:

Plan I (Fair PharmaCare)

All BC residents registered with MSP are eligible for Fair PharmaCare. In order to enrol in Fair PharmaCare, families must complete a one-time registration via internet, telephone, facsimile or mail. Patients who are on Plans D or G (which cover only specific medications) must also register for Fair PharmaCare in order to receive their maximum benefits.

Plan B (Long-term Care)

Residents of designated Licensed Long-term Care Facilities receive PharmaCare benefits at no charge. Pharmacies do not bill dispensing fees but collect a monthly capitation rate from each facility based on the number of occupied beds.

Plan C (Income Assistance)

Senior and non-senior residents receiving income assistance from the Ministry of Human Resources receive full funding for PharmaCare benefits through Plan C.

Plan D (Cystic Fibrosis)

Individuals with cystic fibrosis who are registered with a provincial cystic fibrosis clinic receive digestive enzymes free of charge through this plan when prescribed by a physician at the clinic. The enzymes are dispensed through community pharmacies. Other products are covered under the patient's regular PharmaCare plan, e.g. Plan I. Patients on Plan D may also be eligible to receive PharmaCare coverage through their regular PharmaCare plan (e.g. Plan I) for certain nutritional supplements, vitamins and minerals, subject to regular plan rules.

Plan F (At-Home Children Program)

Plan F provides 100% financial assistance for eligible prescription drugs to children under the age of 19 who are eligible for benefits under the At Home Program of the Ministry of Children and Family Development. Applications for coverage under this plan are processed through the Ministry of Children and Family Development.

Plan G (No Charge Psychiatric Medication)

PharmaCare provides 100% coverage for designated psychiatric medications for clients of mental health service centres who qualify for MSP Premium Assistance.

The BC Centre for Excellence in HIV/AIDS

HIV-positive individuals living in BC receive antiretroviral drugs free of charge when enrolled in this program. The Centre operates out of St. Paul's Hospital in Vancouver and the drug program is fully supported and funded by PharmaCare.

The following prescription treatment programs are available to BC residents but are not funded or administered by PharmaCare

Home Oxygen Program

Through this program, the Health Authorities provide coverage for oxygen and related equipment delivered to the homes of individuals who meet established criteria. Applications for this program must be made by a physician through the local Health Authority. Suppliers are reimbursed for the most economical system, consistent with individual need and lifestyle. Suppliers of home oxygen systems are determined regionally through a scheduled bidding process.

Palliative Care Program

The drug component of this plan provides palliative patients with coverage for the costs of medications listed in the Palliative Care Drug Formulary. The program is funded by the Ministry of Health, Home and Community Care branch. Prescriptions dispensed to palliative patients are recorded on PharmaNet.

Drugs Provided by Other Programs

Patients registered with the BC Cancer Agency, the BC Renal Agency or the BC Transplant Society have prescribed drug therapies supplied by those organizations without charge. Anyone seeking further information should contact these programs directly for details.

Utilization Management Programs

Like other provincial health programs, PharmaCare is continually challenged by limited resources, rising costs and changing demographics. PharmaCare is not a static program. Policies are constantly monitored and modified to adapt to changing conditions and the demand for new medications. PharmaCare seeks to ensure that British Columbians have appropriate, safe and reasonable access to prescription medications needed to maintain the best health possible.

Reference Drug Program

The Reference Drug Program (RDP) encourages cost-effective first-line prescribing for common medical conditions. Under the RDP, PharmaCare coverage is based on the cost of the reference drug or drugs in a therapeutic category. This is the drug (or drugs) considered to be equally efficacious as other drugs in that category and the most cost effective. The RDP currently applies to five classes of drugs: Histamine-2 receptor Blockers, Non-Steroidal Anti-Inflammatory Drugs, Nitrates, Angiotensin Converting Enzyme Inhibitors, and Dihydropyridine Calcium Channel Blockers.

Low Cost Alternative Program

For many drugs, there are alternative brands which may differ in price yet contain the same active ingredients. Low cost alternative drugs are often much less expensive than other brands on the market, and may be the generic version of a drug. When several drugs contain identical active ingredients, PharmaCare provides full coverage only for the lower priced drug(s). Patients have the option of obtaining either the low cost alternative, which will be fully reimbursed according to the guidelines of each PharmaCare plan, or a more costly drug which is eligible for partial PharmaCare coverage, based on the cost of the low cost alternative(s). When no low cost alternative has been identified, eligible products will be covered consistent with existing plan policies.

Limited Coverage Drug Program

Limited coverage drugs are those that are not usually considered first line therapies due to high cost. For each of these medications, PharmaCare has set specific criteria under which the medication may be eligible for full coverage. The conditions may relate to the patient's illness, intolerance to other (regular benefit) drugs, or other factors. A prescribing practitioner may apply for coverage through the Special Authority process. If the Special Authority request is approved, the drug will be covered as a full benefit. Without Special Authority approval, there would be no coverage.

Special Authority: PharmaCare recognizes that for some patients, the low-cost alternative or reference drug in a given category may not always be suitable. The Special Authority program introduces flexibility into PharmaCare's utilization management programs by granting full benefit status to a medication normally covered as a partial benefit or a limited coverage drug. Special Authority requests are submitted to PharmaCare by a medical practitioner and are adjudicated according to established criteria regarding the patient's condition and/or the practitioner's medical specialty. An approved Special Authority provides full coverage to a specific drug for an individual patient for a defined period of time. Actual PharmaCare payment will vary depending on the patient's plan rules, as with regular benefit drugs.

How Many Drugs are Covered?

PharmaCare is often asked how many drugs are covered under the PharmaCare plans. This number is constantly changing, due to the fact that new drugs are continually introduced on the market while others are replaced by lower-cost versions. New and existing drugs are subject to consideration by PharmaCare's Drug Benefit Committee, that reviews drug submissions based on sound scientific and clinical evidence.

The number of drugs with some degree of PharmaCare coverage can be expressed in two ways:

- as distinct products, by their Health Canada-assigned drug identification number (DIN), or
- by the active chemical ingredient in the drug.

For many drug therapies, the same active medicinal ingredient may be present in several different strengths or formulations and may be marketed by several different manufacturers. Because of this, PharmaCare tracks both the number of unique products (by DIN) and the number of unique medicinal ingredients (by chemical) that receive PharmaCare coverage.

Therefore, the number of unique chemicals provides an indication of the variety of *treatments* available, while the number of DINs provides an indication of the variety of individual *products* that PharmaCare covers.

DINs in Canada in 2003[1]	**24,000**
DINs receiving PharmaCare coverage in 2003[2]	**4,900**
Unique chemicals receiving PharmaCare coverage in 03/04[3]	**750**

Notes:

1. Health Canada assigns a DIN to many different health products approved for sale in Canada. This includes all prescription drugs, but also over-the-counter products and drug store items such as toothpaste, natural health products, and vitamins.
2. Includes only prescription drugs that had a payment by PharmaCare. Items receiving PharmaCare coverage may be full or partial benefits.
3. Data from fiscal year 2003/2004 (April 1, 2003 to March 31, 2004).

ALL DATA REFERRING TO COSTS, EXPENDITURES, AND PAID AMOUNTS REFER ONLY TO THOSE PORTIONS OF THE COSTS PAID BY PHARMACARE. LIKEWISE, ANY REFERENCE TO NUMBERS OF PRESCRIPTIONS REFERS ONLY TO PRESCRIPTIONS THAT RECEIVED COVERAGE BY PHARMACARE.

DEPENDING ON PLAN RULES, BENEFICIARIES MAY BE RESPONSIBLE FOR COVERING SOME OR ALL OF THEIR DRUG COSTS.

Definitions

Rx: prescription

Dispensing Fee or *Professional Fee*: the fee charged by the pharmacy for processing the prescription.

Ingredient cost: the cost of the drug ingredient(s) dispensed; PharmaCare pays up to the pharmacy's actual acquisition cost of the drug (AAC) plus seven percent – any amount charged by the pharmacy greater than seven percent above the AAC is borne by the patient.

Ingredient cost paid, *Professional fee paid*, or *Total paid costs* refer to amounts paid by PharmaCare and do not reflect any amounts paid by beneficiaries.

Significant PharmaCare policy changes since 2002

Fair PharmaCare was introduced May 1, 2003 to replace Plans A and E. Seniors and non-seniors are now covered under the same income-based plan, with some BC families experiencing a change in deductible. This will affect some of the data, and is noted in the footnotes of relevant data tables.

Annual deductible amounts and plan coverage policies have varied over the years, in some cases affecting PharmaCare expenditure data. Significant changes are noted in the data tables where relevant.

Payments & expenditures **not included** in these data

- Plan B capitation payments; Plan P drug costs (covered under other Ministry programs)
- Methadone interaction fees paid to pharmacies participating in the Methadone Maintenance Program
- Retroactive PharmaCare payments on eligible drugs purchased before a beneficiary enrolls with Fair PharmaCare
- Pharmacy reversals on drugs dispensed but not retrieved by the patient
- PharmaCare funding for HIV/AIDS through the BC Centre for Excellence

Data source

Data were extracted from the Ministry of Health Services HNData Datamart.

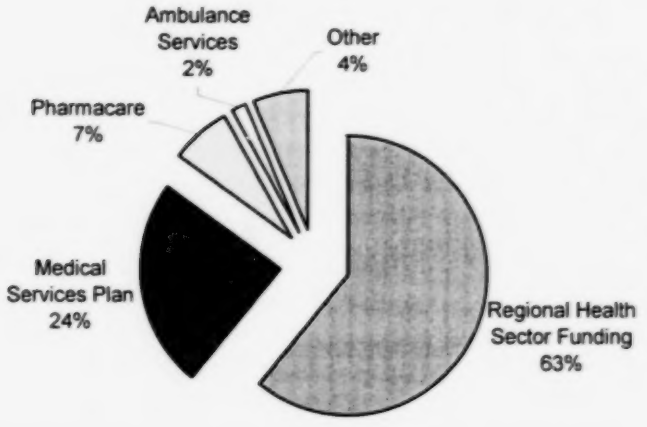
BC GOVERNMENT EXPENDITURES 2003/2004

2003/2004 Fiscal Year Expenditures

BC government: $25,147,633,000

- Ministry of Health Services: $10,452,877,000
  - PharmaCare: $722,586,000
  - Regional Health Sector Funding: $6,546,977,000
  - Medical Services Plan: $2,539,725,000
  - Ambulance Services: $221,637,000
  - Other: $421,952,000

2003/2004 Ministry of Health Services Expenditures



Source: BC Public Accounts 2003/04

EXPENDITURE INCREASES 1999/00-2003/04: BC GOVERNMENT, MINISTRY OF HEALTH SERVICES AND PHARMACARE (TABLE)

The table below shows changes in expenditures for the provincial government as a whole, the Ministry of Health Services generally, and for the PharmaCare program specifically. All three have increased overall since 1999/00, with PharmaCare consistently accounting for almost 3 per cent of the provincial budget.

PharmaCare's expenditures decreased in 2003/04, due to the changes introduced under the Fair PharmaCare program, whereby assistance was directed at BC families who need it most, based on annual family income.

	BC Government	Ministry of Health	PharmaCare	PharmaCare as a % of BC Govt
1999/00	$22,200,384,000	$7,965,277,000	$568,945,000	2.56%
2000/01	$22,463,007,000	$8,653,987,000	$656,865,000	2.92%
2001/02	$24,751,445,000	$9,718,021,000	$716,984,000	2.90%
2002/03	$25,007,828,000	$10,189,557,000	$727,664,000	2.90%
2003/04	$25,147,633,000	$10,452,877,000	$722,586,000	2.87%

Prescription drugs play an increasingly important role in the delivery of quality health care services. In many cases, prescription drugs now substitute for other types of treatment. As a result, drug expenditures represent the fastest-growing portion of health care budgets in every jurisdiction in Canada, including British Columbia.

PharmaCare Expenditures By Plan 1997-2003 (tables)

Total PharmaCare plan expenditures have risen steadily over the past seven years:

- from **$401,115,351** in 1997
- to **$658,531,614** in 2003.

This represents a 64% increase in total expenditures over a seven year period.

Some of this growth can be attributed to the growth of relatively new programs, such as cystic fibrosis (Plan D, introduced in 1995) and the no-charge psychiatric medication program (Plan G, introduced in 1997). Other factors contributing to increased PharmaCare expenditures include:

- increasing utilization of pharmacological treatments outside the hospital setting;
- newer, more expensive drug therapies;
- changing population demographics; and,
- increases in the number of people living with chronic diseases such as diabetes and arthritis.

The tables on the following pages (tables 2.1 to 2.9) provide a seven-year history of PharmaCare expenditures, both aggregate and per-plan. Dollar figures represent the total amounts paid by PharmaCare for drug ingredients and dispensing fees per calendar year.

Table 2.1 PharmaCare Expenditures: All Plans (A,B,C,D,E,F,G & I where applicable)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	12,091,959	12,387,612	13,301,150	14,462,444	16,157,638	14,819,843	15,763,279
Number of beneficiaries	867,622	827,923	849,616	880,759	914,769	814,424	899,669
Ingredient cost paid	$369,500,390	$404,742,709	$455,106,851	$531,215,798	$603,618,058	$572,087,043	$557,313,050
Professional fee paid	$31,614,961	$32,773,110	$35,838,817	$41,003,299	$53,104,307	$86,004,516	$101,218,564
Total amount paid	$401,115,351	$437,515,819	$490,945,669	$572,219,097	$656,728,218	$658,091,559	$658,531,614
Avg. Rx per beneficiary	13.94	14.96	15.66	16.42	17.66	18.20	17.52
Total paid cost per beneficiary	$462.32	$528.45	$577.84	$649.69	$717.92	$808.05	$731.97
Avg professional fee paid per Rx	$2.61	$2.65	$2.69	$2.84	$3.29	$5.80	$6.42
Avg ingredient cost paid per Rx	$30.56	$32.67	$34.22	$36.73	$37.36	$38.60	$35.36
Avg total amount paid per Rx	$33.17	$35.32	$36.91	$39.57	$40.65	$44.41	$41.78

Table 2.2 PharmaCare Expenditures: Plan A (Seniors) - Replaced by Plan I May 1, 2003

Calendar Year	1997	1998	1999	2000	2001	2002[1]	2003[2]
Number of Rx	5,877,963	6,228,861	6,722,166	7,193,809	7,952,741	6,605,307	2,059,272
Number of beneficiaries	405,616	416,931	429,660	438,834	449,881	413,274	363,714
Ingredient cost paid	$213,723,288	$236,521,505	$263,952,597	$296,165,521	$341,017,068	$301,550,112	$93,688,994
Professional fee paid	$4,694,734	$5,585,956	$6,705,143	$8,261,991	$11,323,404	$38,265,725[3]	$10,884,600
Total amount paid	$218,418,022	$242,107,462	$270,657,740	$304,427,513	$352,340,472	$339,815,837	$104,573,593
Avg. Rx per beneficiary	14.49	14.94	15.65	16.39	17.68	15.98	5.66
Total paid cost per beneficiary	$538.48	$580.69	$629.93	$693.72	$783.19	$822.25	$287.52
Avg professional fee paid per Rx	$0.80	$0.90	$1.00	$1.15	$1.42	$5.79	$5.29
Avg ingredient cost paid per Rx	$36.36	$37.97	$39.27	$41.17	$42.88	$45.65	$45.50
Avg total amount paid per Rx	$37.16	$38.87	$40.26	$42.32	$44.30	$51.45	$50.78

1. PharmaCare costs decreased in 2002 due to an increase in Plan A deductibles introduced that year.
2. PharmaCare costs decreased in 2003 due to the dissolution of Plan A in May.
3. On Jan.1, 2002, Plan A was restructured. Recipients began paying a fixed fee toward the ingredient cost of each prescription and Pharmacare began covering the professional fee

Table 2.3 PharmaCare Expenditures: Plan B (Long Term Care)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	1,152,997	1,126,936	1,103,259	1,118,979	1,165,256	1,188,137	1,190,863
Number of beneficiaries	24,993	24,986	24,849	25,270	25,489	25,409	24,791
Ingredient cost paid	$19,070,531	$20,757,318	$21,719,077	$24,081,047	$26,927,576	$29,300,141	$30,877,315
Total Amount Paid	$19,070,531	$20,757,318	$21,719,077	$24,081,047	$26,927,576	$29,300,141	$30,877,315
Avg. Rx per beneficiary	46.13	45.1	44.4	44.28	45.72	46.76	48.04
Total paid cost per beneficiary	$763.03	$830.76	$874.04	$952.95	$1,056.44	$1,153.14	$1,245.51
Avg professional fee paid per Rx	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Avg ingredient cost paid per Rx	$16.54	$18.42	$19.69	$21.52	$23.11	$24.66	$25.93
Avg total amount paid per Rx	$16.54	$18.42	$19.69	$21.52	$23.11	$24.66	$25.93

Plan B does not have a professional fee: pharmacies are paid a per -patient rate by PharmaCare on a monthly basis. This amount is not included in the above table.

Table 2.4 PharmaCare Expenditures: Plan C (Income Assistance)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	3,196,189	3,348,354	3,604,775	3,963,628	4,501,493	4,851,350	5,432,283
Number of beneficiaries	243,375	229,096	219,562	213,477	207,769	186,516	177,397
Ingredient cost paid	$69,680,410	$78,580,062	$89,572,576	$110,172,332	$116,362,421	$120,326,031	$138,402,174
Professional fee paid	$19,128,981	$19,747,310	$20,834,274	$22,714,843	$29,634,033	$35,988,715	$43,359,200
Total amount paid	$88,809,391	$98,327,372	$110,406,851	$132,887,176	$145,996,454	$156,314,746	$181,761,374
Avg. Rx per beneficiary	13.13	14.62	16.42	18.57	21.67	26.01	30.62
Total paid cost per beneficiary	$364.91	$429.20	$502.85	$622.49	$702.69	$838.08	$1,024.60
Avg professional fee paid per Rx	$5.98	$5.90	$5.78	$5.73	$6.58	$7.42	$7.98
Avg ingredient cost paid per Rx	$21.80	$23.47	$24.85	$27.80	$25.85	$24.80	$25.48
Avg total amount paid per Rx	$27.79	$29.37	$30.63	$33.53	$32.43	$32.22	$33.46

Plan C experienced a reduction in average prescription cost from 2000 to 2001 due to changes to PharmaCare payments to pharmacies under the Methadone Maintenance Program.

Table 2.5 PharmaCare Expenditures: Plan D (Cystic Fibrosis)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	1,258	1,353	1,469	1,347	1,419	1,418	1,371
Number of beneficiaries	249	251	263	265	262	252	257
Ingredient cost paid	$598,219	$597,201	$677,445	$647,907	$690,045	$713,020	$729,803
Professional fee paid	$8,036	$8,827	$9,522	$8,904	$9,562	$10,194	$10,666
Total amount paid	$606,255	$606,028	$686,966	$656,811	$699,607	$723,214	$740,470
Avg. Rx per beneficiary	5.05	5.39	5.59	5.08	5.42	5.63	5.33
Total paid cost per beneficiary	$2,434.76	$2,414.45	$2,612.04	$2,478.53	$2,670.26	$2,869.90	$2,881.21
Avg professional fee paid per Rx	$6.39	$6.52	$6.48	$6.61	$6.74	$7.19	$7.78
Avg ingredient cost paid per Rx	$475.53	$441.39	$461.16	$481.00	$486.29	$502.83	$532.31
Avg total amount paid per Rx	$481.92	$447.91	$467.64	$487.61	$493.03	$510.02	$540.09

Table 2.6 PharmaCare Expenditures: Plan E (Universal) - Replaced by Plan I May 1, 2003

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	1,761,856	1,543,963	1,704,279	1,984,447	2,294,690	1,885,499	117,132
Number of beneficiaries	199,738	160,815	179,053	205,635	233,006	186,038	20,740
Ingredient cost paid	$61,656,919	$61,490,103	$70,813,588	$90,189,236	$106,609,893	$105,792,439	$14,170,923
Professional fee paid	$7,115,381	$6,512,718	$7,192,027	$8,671,057	$10,461,922	$9,613,736	$628,767
Total amount paid	$68,772,299	$68,002,821	$78,005,615	$98,860,294	$117,071,815	$115,406,175	$14,799,690
Avg. Rx per beneficiary	8.82	9.6	9.52	9.65	9.85	10.14	5.65
Total paid cost per beneficiary	$344.31	$422.86	$435.66	$480.76	$502.44	$620.34	$713.58
Avg professional fee paid per Rx	$4.04	$4.22	$4.22	$4.37	$4.56	$5.10	$5.37
Avg ingredient cost paid per Rx	$35.00	$39.83	$41.55	$45.45	$46.46	$56.11	$120.98
Avg total amount paid per Rx	$39.03	$44.04	$45.77	$49.82	$51.02	$61.21	$126.35

PharmaCare costs decreased in 2002 due to an increase in beneficiary-paid deductibles introduced that year.

Table 2.7 PharmaCare Expenditures: Plan F (At-Home Children)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	24,082	24,970	24,844	25,950	27,772	27,999	28,622
Number of beneficiaries	1,803	1,828	1,845	1,910	2,003	2,010	2,052
Ingredient cost paid	$2,127,358	$2,392,360	$2,496,687	$2,668,958	$2,892,033	$3,065,689	$3,153,615
Professional fee paid	$149,095	$157,420	$156,764	$167,224	$184,399	$197,090	$216,822
Total amount paid	$2,276,454	$2,549,780	$2,653,450	$2,836,182	$3,076,432	$3,262,779	$3,370,437
Avg. Rx per beneficiary	13.36	13.66	13.47	13.59	13.87	13.93	13.95
Total paid cost per beneficiary	$1,262.59	$1,394.85	$1,438.18	$1,484.91	$1,535.91	$1,623.27	$1,642.51
Avg professional fee paid per Rx	$6.19	$6.30	$6.31	$6.44	$6.64	$7.04	$7.58
Avg ingredient cost paid per Rx	$88.34	$95.81	$100.49	$102.85	$104.13	$109.49	$110.18
Avg total amount paid per Rx	$94.53	$102.11	$106.80	$109.29	$110.77	$116.53	$117.76

Table 2.8 PharmaCare Expenditures: Plan G (Mental Health)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	77,614	113,175	140,358	174,284	214,267	260,133	319,381
Number of beneficiaries	6,520	8,028	9,715	11,754	13,675	15,888	18,478
Ingredient cost paid	$2,643,665	$4,404,160	$5,874,882	$7,490,797	$9,119,022	$11,339,611	$13,907,981
Professional fee paid	$518,734	$760,878	$941,088	$1,179,279	$1,490,987	$1,929,056	$2,546,065
Total amount paid	$3,162,399	$5,165,038	$6,815,970	$8,470,076	$10,610,009	$13,268,667	$16,454,045
Avg. Rx per beneficiary	11.9	14.1	14.45	14.83	15.67	16.37	17.28
Total paid cost per beneficiary	$485.03	$643.38	$701.59	$720.61	$775.87	$835.14	$890.47
Avg professional fee paid per Rx	$6.68	$6.72	$6.70	$6.77	$6.96	$7.42	$7.97
Avg ingredient cost paid per Rx	$34.06	$38.91	$41.86	$41.83	$42.56	$43.59	$43.55
Avg total amount paid per Rx	$40.75	$45.64	$48.56	$48.60	$49.52	$51.01	$51.52

Plan G was created in 1997.

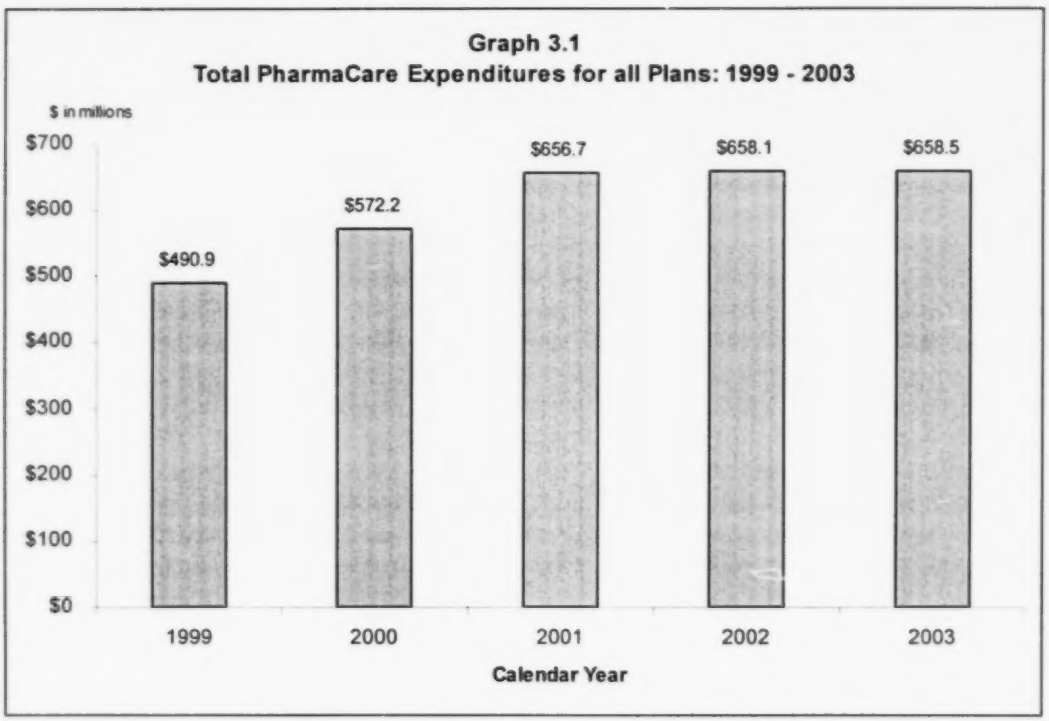
Table 2.9 PharmaCare Expenditures: Plan I (Fair PharmaCare) - Introduced May 1, 2003

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Number of Rx	-	-	-	-	-	-	6,614,355
Number of beneficiaries	-	-	-	-	-	-	612,908
Ingredient cost paid	-	-	-	-	-	-	$262,382,246
Professional fee paid	-	-	-	-	-	-	$43,572,445
Total amount paid	-	-	-	-	-	-	$305,954,691
Avg. Rx per beneficiary	-	-	-	-	-	-	10.79
Total paid cost per beneficiary	-	-	-	-	-	-	$499.19
Avg professional fee paid per Rx	-	-	-	-	-	-	$6.59
Avg ingredient cost paid per Rx	-	-	-	-	-	-	$39.67
Avg total amount paid per Rx	-	-	-	-	-	-	$46.26

PharmaCare Expenditures for all Plans 1999-2003 (graph)

The graph below depicts PharmaCare's "Total amount paid" for all plans combined. PharmaCare expenditures have increased since 1999, but leveled off from 2001 to 2003 due to changes introduced to plan coverage policies. Expenditures increased 34.1% over five years: from $490,945,669 in 1999 to $658,531,614 in 2003.

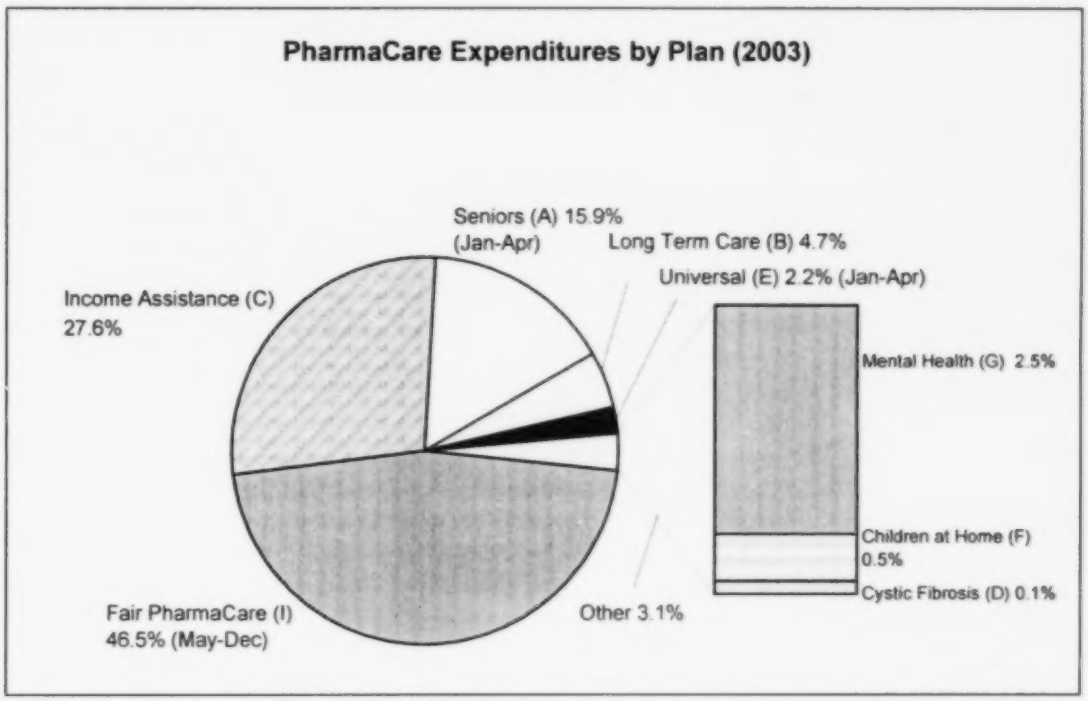
The significant increases from 1999 through 2001 were not sustainable over the long term, and policy changes were necessary in order to ensure that financial assistance could continue to be offered to those who need it most.



PharmaCare Expenditures by Plan 2003 (graph)

The chart below graphically illustrates the contribution each plan made to overall PharmaCare expenditures in 2003. Although it was only in place from May 1 to December 31, Plan I clearly dominated PharmaCare expenditures in 2003, at 46.5% of total expenditures.

The next two most costly plans - Income assistance (Plan C) and Seniors (Plan A - discontinued after April 30, 2003) - constitute 27.6% and 15.9% of expenditures respectively. A full 90% of PharmaCare's expenditures in 2003 were accounted for through Plans A, C and I.


PharmaCare Expenditures by Plan (2003)
Seniors (A) 15.9% (Jan-Apr)
Long Term Care (B) 4.7%
Universal (E) 2.2% (Jan-Apr)
Income Assistance (C) 27.6%
Mental Health (G) 2.5%
Children at Home (F) 0.5%
Cystic Fibrosis (D) 0.1%
Fair PharmaCare (I) 46.5% (May-Dec)
Other 3.1%

SECTION 3: COST DRIVERS

GROWTH IN BC'S PHARMACEUTICAL EXPENDITURES (TABLE)

From 1999 to 2003, PharmaCare's total expenditures grew overall by 34%. This increase in costs is the result of a number of external pressures:

- newer and more expensive drugs entering the market
- an aging population
- new clinical evidence (indications) and better treatment outcomes involving drug therapy
- new diseases and new areas of pharmacology
- increased drug utilization
- changes in treatment modalities (i.e. shift to outpatient care)
- continued pressure for manufacturers to increase market share

Between 1999 and 2003, the number of prescriptions filled by British Columbians that had some level of PharmaCare coverage increased by 18.5% and the average cost per prescription increased by 13.2%. Each year, new – and often more expensive – drug therapies are patented, and are marketed as having improved performance over existing drugs.

To a lesser degree, BC's population growth over this five-year period also contributed to increased expenditures. However, the increases in drug costs and quantities eclipse the growth in population of only 3.5% over this period, underscoring the cost pressures on the PharmaCare program.

Table 3.1 Comparison of PharmaCare benefits for three calendar years: 1999, 2002 and 2003

	5 years ago (1999)	1 year ago (2002)	2003	1-yr change	5-yr change
Total Rx with PharmaCare payment	13,301,150	14,819,843	15,763,279	6.4%	18.5%
Total beneficiaries	849,616	814,424	899,669	10.5%	5.9%
Avg. # of Rx per beneficiary	15.66	18.20	17.52	-3.7%	-11.9%
Ingredient cost paid	$455,106,851	$572,087,043	$557,313,050	-2.6%	22.5%
Professional fee paid	$35,838,817	$86,004,516	$101,218,564	17.7%	182.4%
Total amount paid	$490,945,669	$658,091,559	$658,531,614	0.1%	34.1%
Avg total amount paid per Rx	$36.91	$44.41	$41.78	-5.9%	13.2%
Total paid cost per beneficiary	$577.84	$808.05	$731.97	-9.4%	26.7%
Total BC Population	4,011,000	4,115,000	4,146,600	0.8%	3.4%

Paid amounts refer to the amount paid by PharmaCare. Depending on individual plan rules, the beneficiary may also pay a portion of the total drug cost.

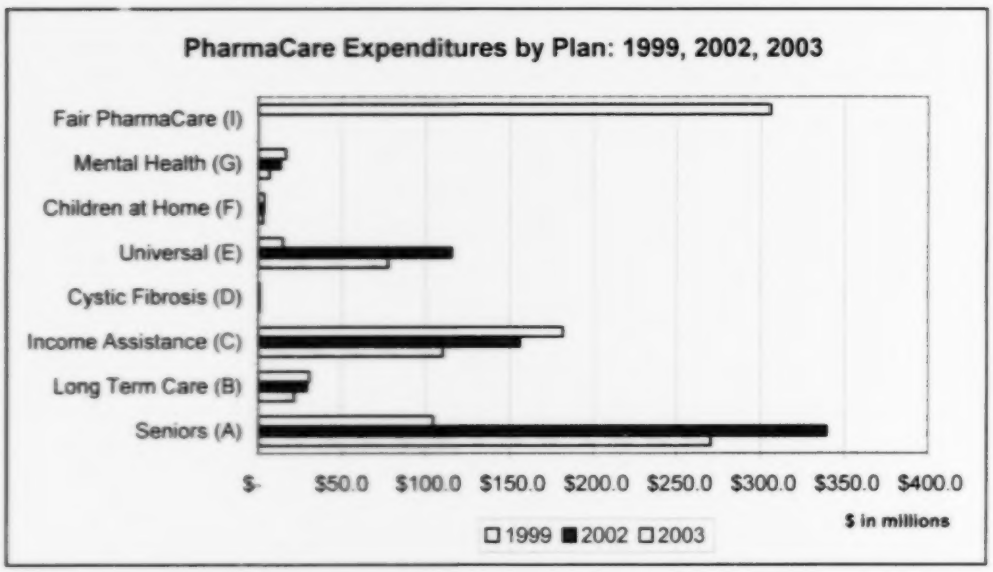
The next four graphs depict data from the preceding table.

PharmaCare Expenditures by Plan: 5-year and 1-year comparison (graph)

The graph below provides a breakdown of expenditures of PharmaCare plans for 1999, 2002, and 2003.

Together, the Seniors and Universal Plans dominated 69% of total PharmaCare expenditures in 2002.

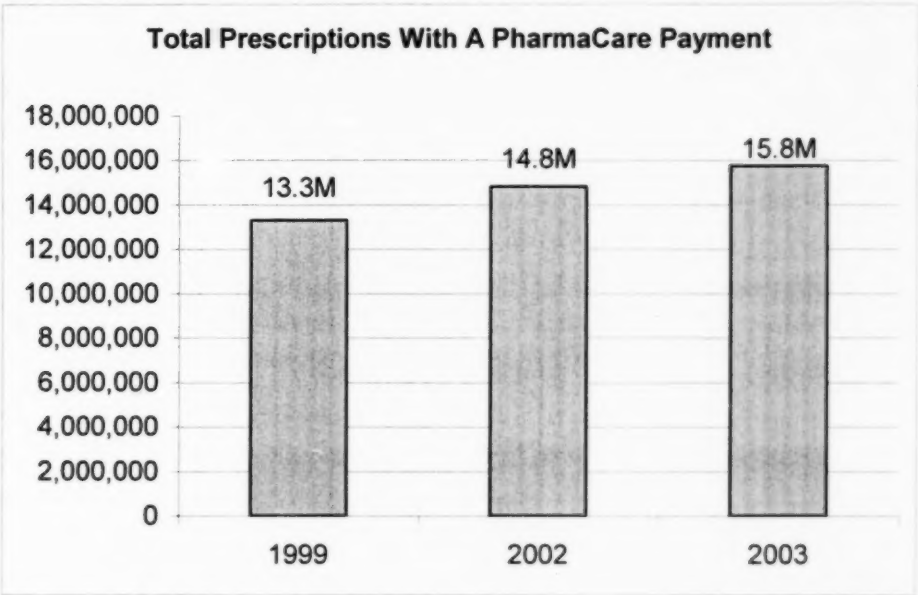
In 2003, Fair PharmaCare – in place for eight months of the year – accounted for 46% of all PharmaCare expenditures. Expenditures on Plan A and Plan E decreased dramatically as they were only in place for four months before being merged to form Fair PharmaCare. Together, Plans A, E, and I accounted for 65% of total 2003 plan expenditures.



Total Prescriptions With PharmaCare Payment (graph)

Comparing total prescriptions that received some PharmaCare coverage in 1999 to 2002 and 2003 data shows the general increasing trend. Using 1999 as the baseline year, the impact of major policy changes introduced in later years is also evident (i.e. increase in patient-paid deductible in 2002 & introduction of Fair PharmaCare in 2003).

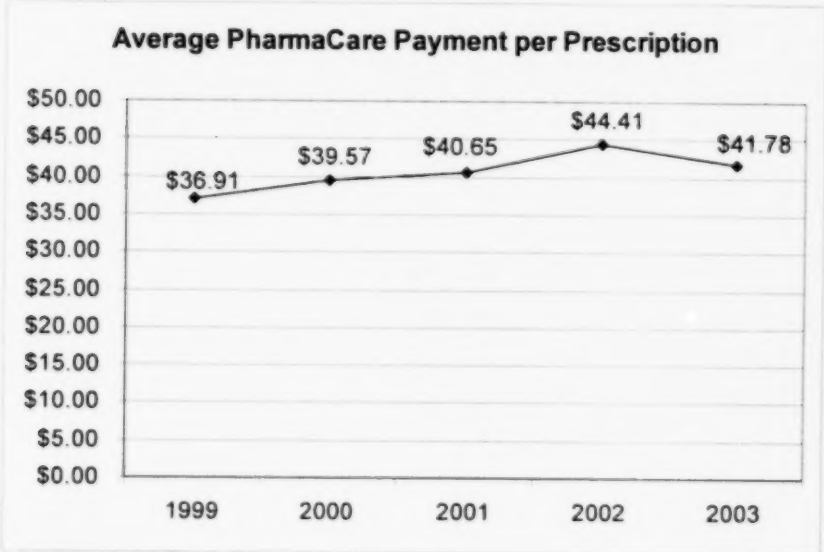
The graph below shows that there has been an overall increase in the number of prescriptions with some PharmaCare payment over the past five years. PharmaCare continues to cover increasingly more individual prescriptions, year-over-year. The past five years (1999 to 2003) have shown a 19% increase in the number of prescriptions covered.



PharmaCare Cost per Prescription (graph)

The graph below plots the average total amount paid by PharmaCare per prescription (ingredient cost plus dispensing fee) over all PharmaCare plans.

The average total amount paid by PharmaCare per prescription has risen steadily, from $36.91 in 1999 to $41.78 in 2003. The decrease in per-prescription cost experienced from 2002 to 2003 is attributable to the redistribution of PharmaCare benefits following the introduction of Fair PharmaCare in May 2003.



Note that PharmaCare Trends 2003 reports only the costs paid by PharmaCare, and does not include costs paid by individuals or by private drug insurance plans.

SECTION 4: PHARMACARE BENEFICIARIES

PharmaCare Beneficiaries 2003 (table)

In total, 899,669 BC residents received some PharmaCare benefits in 2003 – almost 22 per cent of the total BC population. One year previous, in 2002, just under 20 per cent of the population received benefits.

Table 5.1 shows the number of PharmaCare beneficiaries in 2003 in five-year age groups. It shows that the percentage of individuals receiving financial assistance from PharmaCare in 2003 increased with age.

By age 90+, a full 96.1% of BC residents received some PharmaCare assistance in 2003.

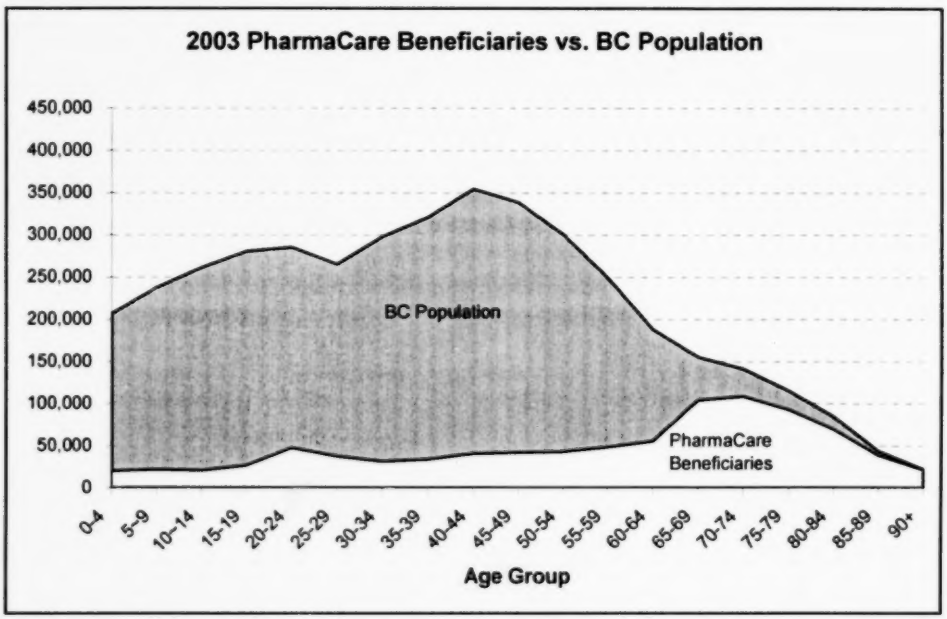
Table 4.1 PharmaCare Beneficiaries by Age Group: 2003

Age Group	Total BC Population* (2003)	Number of PharmaCare Beneficiaries	% of Age Group Receiving Benefits
0 to 4	206,500	19,830	9.6%
5 to 9	237,600	21,668	9.1%
10 to 14	261,600	20,528	7.8%
15 to 19	280,500	26,209	9.3%
20 to 24	285,300	47,144	16.5%
25 to 29	265,200	37,186	14.0%
30 to 34	298,000	30,998	10.4%
35 to 39	320,800	33,553	10.5%
40 to 44	353,900	40,331	11.4%
45 to 49	338,400	41,610	12.3%
50 to 54	300,900	43,021	14.3%
55 to 59	248,900	48,191	19.4%
60 to 64	187,800	55,110	29.3%
65 to 69	155,000	103,933	67.1%
70 to 74	141,000	108,545	77.0%
75 to 79	115,100	92,663	80.5%
80 to 84	84,400	69,181	82.0%
85 to 89	43,500	38,639	88.8%
90+	22,200	21,329	96.1%
TOTAL	**4,146,600**	**899,669**	**21.7%**

*Population data from BC Stats.

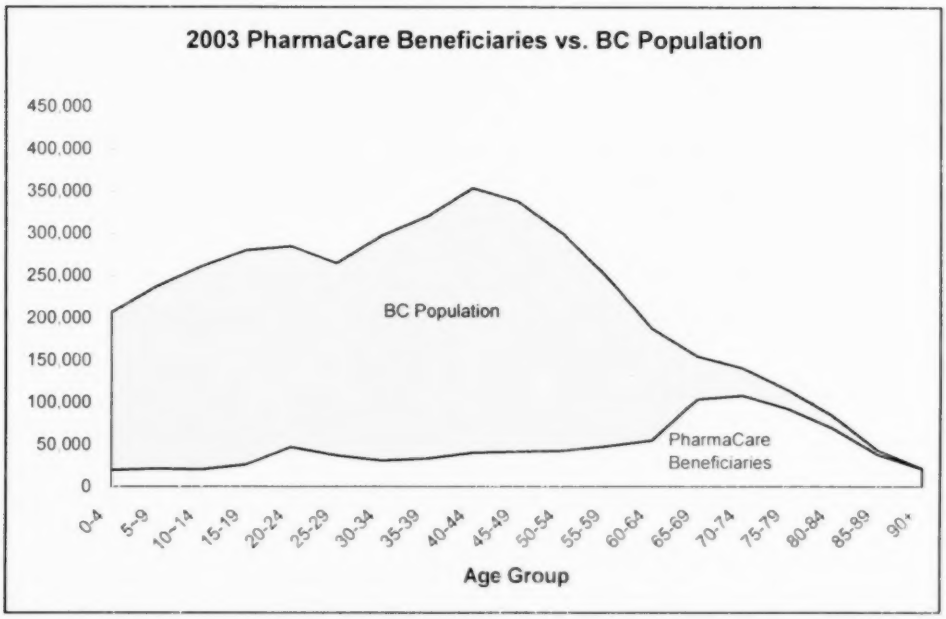
PharmaCare Beneficiaries Compared to BC Population 2003 (graph)

The graph below depicts data from the preceding table, comparing the number of PharmaCare beneficiaries to BC's total population in 5-year age groupings.



PharmaCare Beneficiaries Compared to BC Population 2003 (graph)

The graph below depicts data from the preceding table, comparing the number of PharmaCare beneficiaries to BC's total population in 5-year age groupings.



PharmaCare Beneficiaries 1999-2003 (table & graph)

The number of BC residents benefiting from PharmaCare coverage has increased over the years. This is in part a result of an increasing population and the introduction of new drug therapies.

The increasing trend was reversed briefly with the introduction of changes to deductibles in 2002 (described under "History of PharmaCare" at the beginning of this report). As a result, some beneficiaries spent comparatively more out-of-pocket before receiving PharmaCare coverage than they did in previous years.

In 2003, the BC population was 4,146,600 and the number of PharmaCare beneficiaries was 899,699 – or 21.7% of the population. In 1999, 21.2% of British Columbians received PharmaCare benefits. Despite measures introduced to enhance the sustainability of the PharmaCare program, the overall number of beneficiaries has continually risen, with the exception of a small dip in 2002.

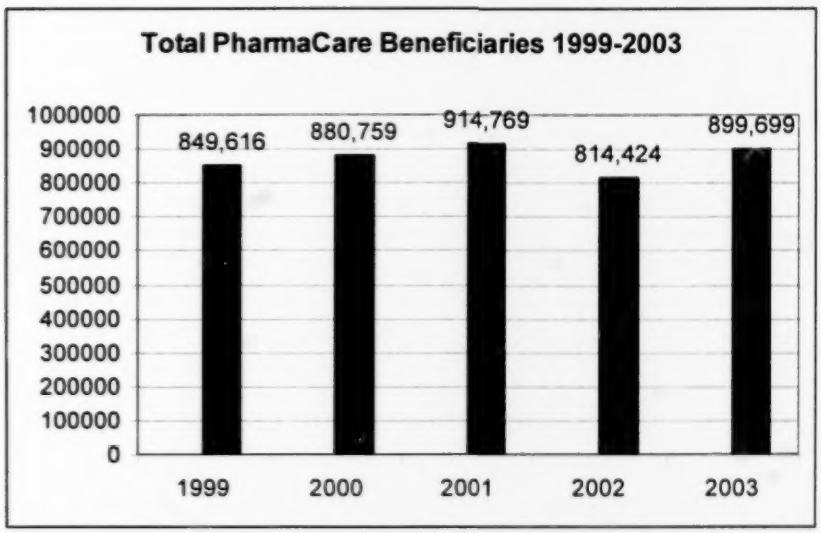


Table 5.2 BC population and total PharmaCare beneficiaries 1999-2003

Calendar Year	BC Population	Total PharmaCare Beneficiaries	Beneficiaries as % of BC population
1999	4,011,300	849,616	21.2%
2000	4,039,200	880,759	21.8%
2001	4,078,400	914,769	22.4%
2002	4,115,000	814,424	19.8%
2003	4,146,600	899,699	21.7%

INCREASES IN POPULATION, BENEFICIARIES AND PRESCRIPTIONS:1999-2003 (GRAPH)

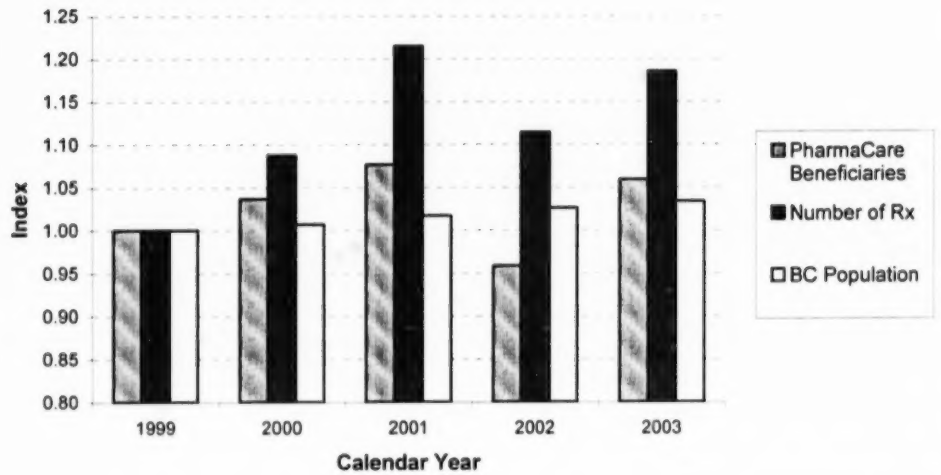
The graph below shows the changes in BC population, the number of PharmaCare beneficiaries, and the number of prescriptions with PharmaCare payment, indexed to 1999 data. Using 1999 as the benchmark (value 1.00), data for subsequent years is considered in relation to the values in 1999.

The BC population has been steadily increasing, while the number of beneficiaries and the number of prescriptions both increased from 1999 to 2001 before decreasing – relative to 1999 data in 2002 after the introduction of an increased deductible for seniors and non-seniors. The numbers of beneficiaries and prescriptions increased from their 2002 levels again in 2003.

The graph illustrates that from 1999 to 2003:

- the BC population increased by 3.4%;
- the number of PharmaCare beneficiaries increased by 5.9%; and
- the number of PharmaCare prescriptions increased by 18.5%.

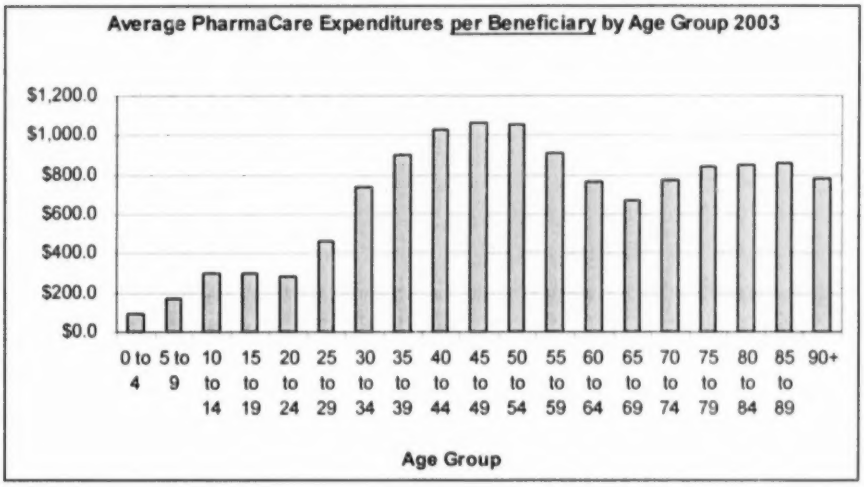
Graph 4.4
Increases in B.C. Population, PharmaCare Beneficiaries and Prescriptions - Indexed to 1999 Data

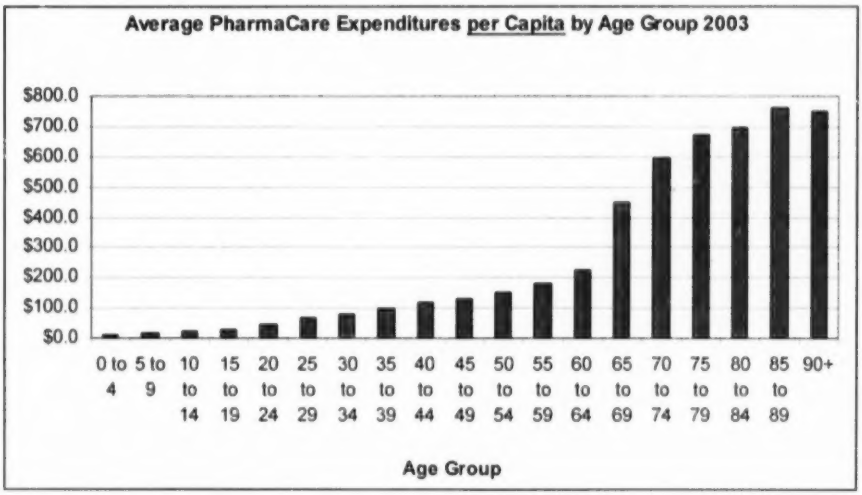


AVERAGE PER-PERSON EXPENDITURES BY AGE GROUP 2003 (GRAPHS)

The graphs below show beneficiary data in five-year increments. They show average PharmaCare expenditures per beneficiary, and average PharmaCare expenditures per capita, within each age group.

The age group with the highest per-beneficiary expenditures in 2003 was the 45-49 age group, with $1,066.50 spent per beneficiary, on average, by PharmaCare. This age group represents 12% of the total BC population. The higher age groups have greater per capita costs, due to the fact that proportionally more BC residents receive PharmaCare benefits as age increases.

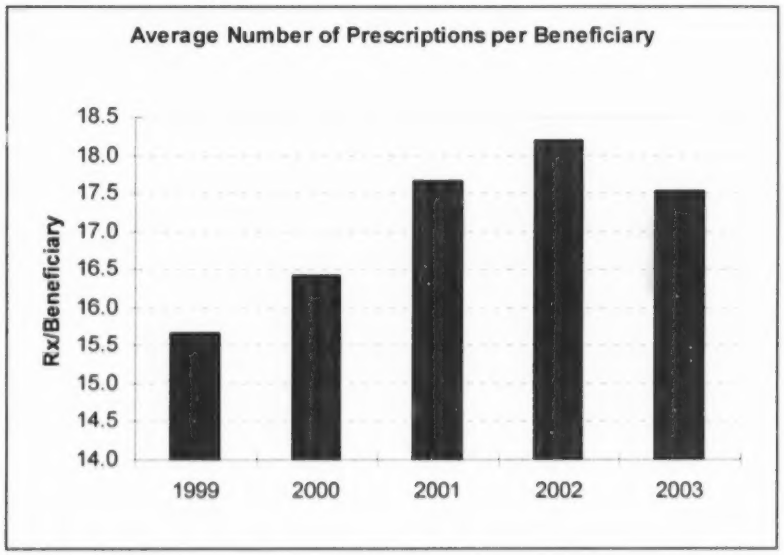




AVERAGE NUMBER OF PRESCRIPTIONS PER BENEFICIARY 1999-2002 (GRAPH)

The average number of PharmaCare-paid prescriptions per beneficiary rose from 15.7 prescriptions in 1999 to 18.2 prescriptions in 2002. The average number of prescriptions decreased to 17.5 in 2003.

Although the number of prescriptions per beneficiary declined by 4% from 2002 to 2003, total PharmaCare expenditures increased by almost $500,000 over the same period, while the number of total BC residents receiving PharmaCare benefits increased by over 10%.

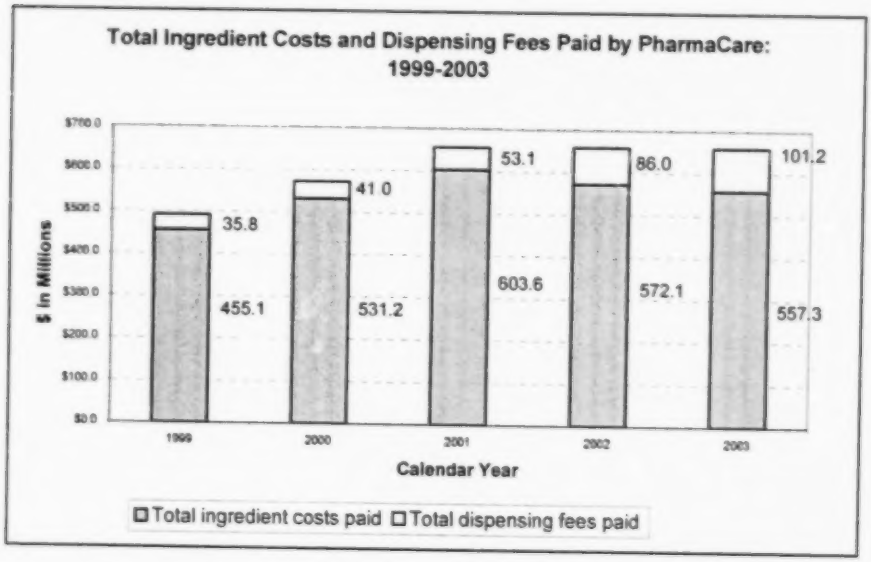


SECTION 5: DRUG COSTS, DISPENSING FEES & UTILIZATION

TOTAL INGREDIENT COSTS & DISPENSING FEES 1999-2003 (GRAPH & TABLE)

The graph below plots total drug ingredient costs and total dispensing fees paid across all plans over a five-year period, from 1999 to 2003. The graph illustrates:

- The total amount PharmaCare in dispensing fees increased almost three-fold, from $35.8 million to $101.2 million.
- The proportion of PharmaCare's budget spent on pharmacy dispensing fees more than doubled, from 7.3% to 15.4%. A large one-year increase between 2001 and 2002 (8.1% of expenditures in 2001 to 13.1% in 2002) was due to a plan rule change for seniors. Prior to 2002, the seniors' deductible only covered ingredient costs, with the patient responsible for covering the dispensing fee up to a maximum. The changes in 2002 brought the dispensing fee into the deductible. PharmaCare now spends double the amount it did in 1999 on dispensing fees.
- Total ingredient costs paid by PharmaCare have increased 22.5% overall since 1999, with minor reductions in costs experienced in 2002 and 2003. These reductions are largely due to an increase in patient-paid deductible amounts introduced in 2002, and the introduction of Fair PharmaCare in 2003.



Calendar Year	1999	2000	2001	2002	2003
Dispensing fee paid ($M)	35.8	41.0	53.1	86.0	101.2
Ingredient cost paid ($M)	455.1	531.2	603.6	572.1	557.3
Total amount paid ($M)	**490.9**	**572.2**	**656.7**	**658.1**	**658.5**

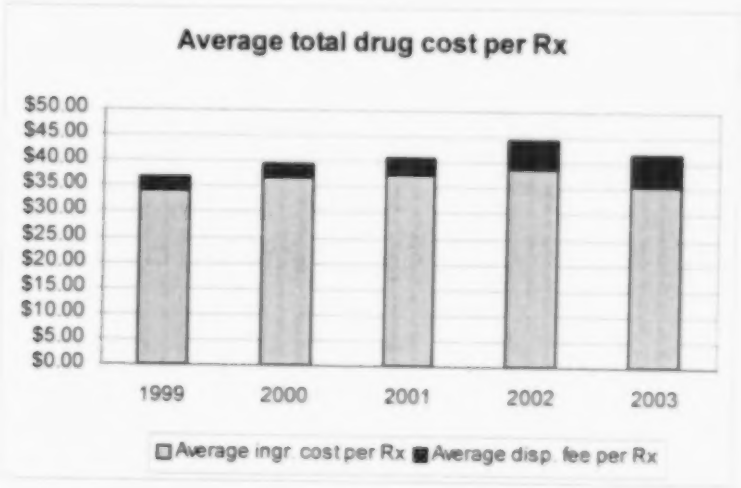
AVERAGE TOTAL COST PER PRESCRIPTION 1999-2003 (GRAPH & TABLE)

The table below presents a breakdown of the average ingredient costs and dispensing fees paid per prescription from 1999 to 2003.

	1999	2000	2001	2002	2003
Average paid dispensing fee per Rx	$2.69	$2.84	$3.29	$5.80	$6.42
Average paid ingredient cost per Rx	$34.22	$36.73	$37.36	$38.60	$35.36
Average paid total drug cost per Rx	$36.91	$39.57	$40.65	$44.41	$41.78

The graph below shows the average amount paid by PharmaCare for a prescription from 1999 to 2003.

This cost has generally increased over the years. The decrease in total drug costs from 2002 to 2003 is attributable to changes to PharmaCare deductibles introduced under Fair PharmaCare in May, 2003.

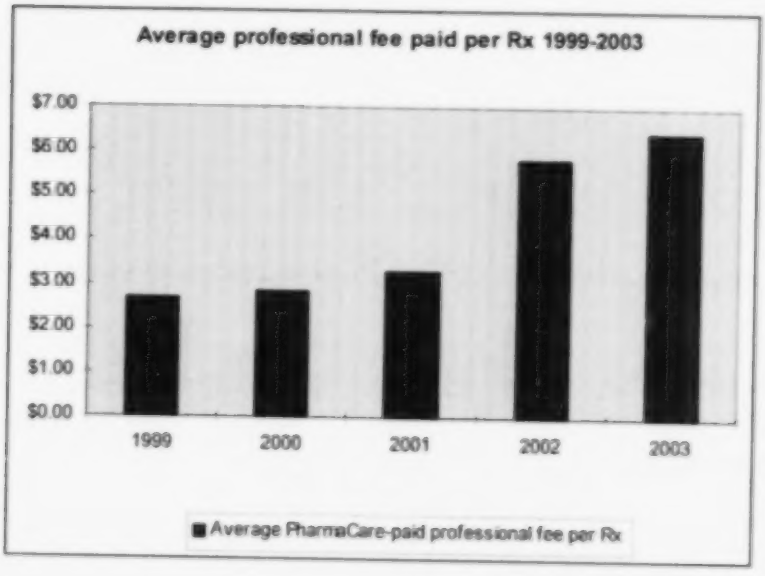


AVERAGE PROFESSIONAL FEE PAID PER PRESCRIPTION 1999-2003 (GRAPH & TABLE)

PharmaCare also sets a maximum accepted dispensing fee (the professional fee paid to the pharmacist for dispensing a medication) that it will pay per prescription. This amount is increased periodically to reflect external inflationary pressures. A pharmacy may charge any amount for the dispensing fee, but must charge the same amount to all patients for all prescriptions dispensed. Any amount charged above the PharmaCare maximum accepted amount on a prescription paid by PharmaCare is borne by the patient.

The amount PharmaCare actually pays can be any amount from $0 up to the maximum accepted amount of $8.45. Between 2001 and 2002, the average dispensing fee paid by PharmaCare per prescription increased from $3.29 to $5.80 largely due to changes to seniors' PharmaCare deductibles introduced in 2002, but also in part due to increases in the dispensing fee charged by pharmacies.

Year	Average PharmaCare paid disp. fee	Maximum PharmaCare accepted disp. fee
1999	$2.69	$7.55
2000	$2.84	$7.55
2001	$3.29	$7.59
2002	$5.80	$7.84
2003	$6.42	$8.45



TOP TEN DRUGS (TABLES)

PharmaCare receives frequent requests for information on the top drugs covered by PharmaCare. PharmaCare data only include those prescriptions that receive some payment by PharmaCare. Below are tables showing the most common drugs (based on number of beneficiaries taking them) and the most costly drugs, based on PharmaCare expenditures.

Table 6.1 Top-10 Drugs by Drug Cost to PharmaCare in 2003

Generic Name	Therapeutic Category	Commonly used to treat	Drug cost	Distinct Beneficiaries	Total prescriptions
Atorvastatin	Antilipemic Agents	High cholesterol	$35,446,201	93,821	327,310
Ramipril	Hypotensive Agents	High blood pressure	$22,133,595	104,039	433,270
Olanzapine	Psychotherapeutic Agents	Schizophrenia	$21,943,042	10,251	153,532
Glucose Testing Strip	Non-Drug Items	Diabetes (home testing)	$17,530,655	58,044	189,497
Interferon Beta	Immunomodulators	Multiple sclerosis	$15,933,269	1,132	10,077
Omeprazole	Proton Pump Inhibitor	Ulcers, Gastro- Esophageal Reflux Disease	$14,100,360	28,608	117,536
Venlafaxine	Psychotherapeutic Agents	Depression	$13,205,991	33,228	222,390
Paroxetine	Psychotherapeutic Agents	Depression, anxiety, OCD	$12,943,771	37,944	206,404
Simvastatin	Antilipemic Agents	High cholesterol	$12,613,954	39,377	135,763
Risperidone	Psychotherapeutic Agents	Schizophrenia	$10,416,854	22,842	229,749

Table 6.2 Top-10 Drugs by Number of Beneficiaries in 2003					
Generic Name	**Therapeutic Category**	**Commonly used to treat**	**Distinct Beneficiaries**	**Total prescriptions**	**Drug cost**
Codeine/Acetamenophen	Analgesics & Antipyretics	Pain & Fever	129,052	438,432	$1,888,955
Amoxicillin	Antibiotics	Bacterial Infection	112,800	149,571	$796,233
Ramipril	Hypotensive Agents	High Blood Pressure	104,039	433,270	$22,133,595
Atorvastatin	Antilipemic Agents	High Cholesterol	93,821	327,310	$35,446,201
Hydrochlorothiazide	Diuretics	Congestive Heart Failure/High Blood Pressure	86,180	267,533	$512,584
Levothyroxine	Thyroid Agents	Hypothyroidism	82,579	372,875	$1,085,029
Salbutamol	Adrenergic Agents	Asthma & Lung Diseases	73,039	211,631	$3,082,755
Lorazepam	Anxiolytics, Sedatives, Hypnotics	Anxiety	69,401	277,573	$840,151
Ciprofloxacin	Quinolones	Bacterial Infection	68,624	101,585	$3,921,657
Metformin	Antidiabetic Agents	Diabetes	60,878	252,955	$4,482,403

SECTION 6: BIBLIOGRAPHY

Data used in this publication were drawn from a variety of sources, including those indicated below. For a complete list of related Internet links, see Section 5.

PharmaCare Trends 2002 Update, BC Ministry of Health Services

HNData, BC Ministry of Health Services

BC Stats, Population and Demographics, Population Statistics, Historical Population Estimates, BC Population by Age and Gender 1971–2002.
http://www.bcstats.gov.bc.ca/data/pop/pop/BCPopage.htm

SECTION 7: INTERNET LINKS

The below Internet sites may provide relevant information regarding drug programs and policies in BC and Canada.

BC Ministry of Health
http://www.health.gov.bc.ca/

BC PharmaCare
http://www.hlth.gov.bc.ca/pharme/index.html

Therapeutics Initiative
http://www.ti.ubc.ca/

BC Centre for Excellence in HIV/AIDS
http://cfeweb.hivnet.ubc.ca/CfE.html

BC Mental Health and Addictions
http://www.hlth.gov.bc.ca/mhd/index.html

College of Pharmacists of BC
http://www.collpharmbc.org/

College of Physicians & Surgeons of BC
http://www.cpsbc.bc.ca/

College of Dental Surgeons of BC
http://www.cdsbc.org/

College of Midwives of BC
http://www.cmbc.bc.ca

BC Association of Podiatrists
http://www.foothealth.ca/

BC Pharmacy Association
http://www.bcpharmacy.ca/

BC Medical Association
http://www.bcma.org/

PROVINCIAL SITES

Alberta
http://www.health.gov.ab.ca/Drugs/index.htm

Saskatchewan Health
http://www.health.gov.sk.ca/ps_drug_plan.html

Manitoba PharmaCare Program
http://www.gov.mb.ca/health/PharmaCare/index.html

Ontario Drug Benefit Program
http://www.health.gov.on.ca/english/public/pub/drugs/odb.html

Quebec
http://www.gouv.qc.ca/Vision/MesuresSociales/SanteSecurite_en.html#Drug insurance

Newfoundland & Labrador Prescription Drug Program
http://www.gov.nf.ca/health/nlpdp/

Nova Scotia (health site)
http://www.gov.ns.ca/health/

New Brunswick Prescription Drug Program
http://www.gnb.ca/0212/en/index.htm

Prince Edward Island –Health Services
http://www.gov.pe.ca/hss/index.php3

Northwest Territories Health Programs
http://www.hlthss.gov.nt.ca/

Yukon Health & Social Services
http://hss.gov.yk.ca

Nunavut Territory Government Department of Health and Social Services
http://www.gov.nu.ca/hss.htm

Federal Sites

Health Canada
http://www.hc-sc.gc.ca/english/index.htm

Health Products and Food Branch
http://www.hc-sc.gc.ca/hpfb-dgpsa

Canadian Health Network
http://www.canadian-health-network.ca/customtools/homee.html

Canadian Institute for Health Information
http://www.cihi.ca/

Patented Medicines Price Review Board (PMPRB)
http://www.pmprb-cepmb.gc.ca/english/View.asp?x=1

Drug Product Database
http://www.hc-sc.gc.ca/hpb/drugs-dpd/searcheng.html

Canadian Associations

Canadian Pharmacists Association
http://www.cdnpharm.ca/

Canadian Medical Association
http://www.cma.ca/